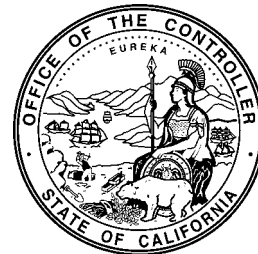


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FOR IMMEDIATE RELEASE

Westly Urges Further NYSE Reform

Modernizing outdated specialist system necessary

Sacramento, November 5, 2003 – State Controller Steve Westly today called for a review of the New York Stock Exchange’s specialist system at the California State Teachers Retirement System Board Meeting. The Board invests over \$42 billion in stocks and is the third-largest public pension fund. Under the specialist system, trading is performed by live traders on the exchange floor, which gives an advantage to some “inside” investors.

“Technology is the greatest tool for equality. It’s time to modernize the trading system to level the playing field,” State Controller Steve Westly said.

A recent Securities and Exchange Commission report found serious deficiencies in the exchange’s oversight of the specialist trading firms. According to the report, nearly 2.2 billion shares were improperly traded over the past three years, costing investors \$155 million.

On October 23rd, Controller Westly called for the NYSE to study how technology can improve and reform the NYSE’s business model. Technology has successfully been used at other stock exchanges to reduce transaction costs, eliminate conflicts of interest and match buyers and sellers for the best possible prices.

“Over the past decade, we’ve witnessed technology turbo-charging democracy and freedom throughout the world. Injecting high technology into stock trading will eliminate conflicts of interest and restore the integrity of the exchange,” Westly, a former Senior Vice President at eBay, said. “The NYSE must innovate to ensure the exchange provides the maximum benefit for investors and pension holders.”

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